TESTIMONY - GAE PUBLIC HEARING 3-17-2014

Re: S.B. 454 - An Act Increasing the Transparency of General Bids for State Contractors

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This bill is attempting to revert to a system of bidding on public projects similar to one that existed prior to the passage and adoption of Public Acts 82-447 and 89-367. This was known as a pre-filed sub-bid system whereby eighteen sub-trades were recognized by law. Pre-filed bidding is not used in private sector work.

Current law allows the awarding authority the flexibility to determine the manner of submission and conditions and requirements of bids. This allows for the use of more efficient and cost effective project delivery systems for public works projects.

The bidding and contracts law specifies that every contract shall include plans and specifications detailing all labor and materials to be furnished and requires that specifications have a separate section for each class of work, i.e., (1) masonry work; (2) electrical work; (3) mechanical work other than HVAC; and (4) heating, ventilating and air conditioning work that exceeds \$25,000 and allows the awarding authority to require a separate section in the specs for any other class of work it deems necessary or convenient.

Senate Bill No. 454 makes the following significant changes in the bidding/contracting laws:

- Increases the classes of work that will require separate bids from the current four prime trades up to 18+ secondary trades for work that exceeds \$25,000;
- Requires specifications to have 18+ separate sections for the classes of work; (example: currently
 specs have one section for the General Trades classification which covers interior finish work in a
 building and includes various construction practices and supervision of a minimum of three subtrades. SB 454 requires at least four if not more separate sections in the specs)
- Micromanages all subcontractors and the respective general contractor on the job site;
- Applies to construction manager-at-risk project delivery systems which I believe was not used in the 1980's. Pre-filed sub-bids could have a negative effect on this method of project delivery;
- Risks elimination of working relationships General /Prime Subcontractors have with their subcontractors which currently results in projects being completed on time and within budget;
- Exposes the awarding authority to an influx of inexperienced subcontractors who cannot meet the performance and/or payment bond requirements for public works projects.

This bill creates many costly administrative problems, not only for the DAS, but also for designers, architects, general contractors, and subcontractors. These problems will result in added costs for public works projects in Connecticut.

Thank you for your consideration of these issues with this bill.

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¹ See OLR Issue Paper No. 17- Doing Business with the State: Public Works Contracting by Janis R. Latham, August, 1980